

Chowan County Board of Commissioners
Regular Meeting
Monday, November 20, 2023
Chowan County Public Safety Center
305 West Freemason Street
6:00pm

This meeting was recorded. A copy of the recording is in the meeting file labeled November 20, 2023.

Present: Chair Bob Kirby, Commissioners, Ron Cummings, Ellis Lawrence, Tray Taylor, Larry McLaughlin and Chris Evans.

Commissioner Alex Kehayes was absent.

Staff present County Manager Kevin Howard, Finance Officer Cathy Smith and Board Clerk Susanne Stallings

Regular Meeting

Chair Kirby called the regular meeting to order. He then led the pledge.

Commissioner McLaughlin then offered the invocation.

Approval of Agenda

Commissioner Cummings moved to approve the agenda as presented.

Chair Kirby asked for all in favor, the motion passed unanimously (6-0).

Public Comment

Chair Kirby opened the floor for public comment.

There was none.

Consent Agenda

All items on the Consent Agenda are considered to be routine and may be enacted by one motion. If a County Commissioner requests discussion on an item, the item will be removed from the Consent Agenda and considered separately.

- a. Tax Refund/Release
Pederson, S. \$4,880.54 Paid Twice

Commissioner McLaughlin moved to approve the consent agenda as amended. Chair Kirby asked for all in favor, the motion passed unanimously (6-0).

Recreation Items

Registration Software

Recreation Director Shannon Ray provided the Board with a cost analysis for registration software. A copy of the comparison is in the meeting file labeled November 20, 2023. She stated that staff feels this software would greatly improve efficiency. She stated that staff recommends Civic Rec Plus software with the three year payment spread out. She stated her department has been able to locate \$2,000 towards the software purchase because due to the schools use of the former DF Walker School gym, there is not a need to purchase tables and chairs. She stated the moving forward the recreation department could structure its fee schedule to pay for the software. She stated this would be about a \$10,000 increase next fiscal year.

Commissioner McLaughlin asked if the current fee of \$25 is reasonable.

Ms. Ray stated that there is a fund set aside to assist families that request assistance for registration. She stated these monies come from donations. She stated that several neighboring counties charge \$30. She stated that football is the most expensive of all sports to provide equipment and uniforms. She stated that some counties have a cost specific registration price for each sport.

Commissioner McLaughlin asked if the fees are reasonable.

Ms. Ray stated yes.

Mr. Howard noted that staff should be able to locate the \$2,500 needed and if not, a budget amendment would come back to the Board.

Commissioner Taylor moved to approve the recommendation as presented. Chair Kirby asked for all in favor, the motion passed unanimously (6-0).

John A. Holmes High School Items

Public Hearing

Chair Kirby noted that the Board of Commissioners is considering entering into an interim installment financing contract with PNC Bank, National Association in a principal amount not to exceed \$34,998,500, under which the County will make certain installment payments, to finance a portion of the costs of constructing a new John A. Holmes High School, and pay the costs associated with entering into the contract. The Project will be located 600 Woodard Street, Edenton, North Carolina 27932. In connection with the Contract, the County will secure its obligations under the Contract by a deed of trust that grants a security interest on the site of the Project and the improvements thereon for the benefit of the Lender. The Contract and the Deed of Trust permit the County to enter into amendments to finance additional projects and refinance projects using the Mortgaged Property as collateral and the County may grant additional collateral in connection with such amendments. On the County's payment of all installment payments due under the Contract, including any future amendments to finance or refinance

projects, the lien created in the Project will terminate and any security interest granted to the Lender under the Contract will be released. Pursuant to Sections 160A-20 of the General Statutes of North Carolina, that on November 20, 2023 at 6:00pm, or as soon as practicable after that, in the Chowan County Public Safety Center, 305 West Freemason Street Edenton, NC, the Board will conduct a public hearing concerning the approval of the execution and delivery of the Contract as described above. All interested parties are invited to present comments at the public hearing on the Contract.

Commissioner Cummings moved to open the floor for the public hearing. Chair Kirby asked for all in favor, the motion passed unanimously (6-0).

Chair Kirby asked if any of the public in attendance wished to comment on the matter.

There were none signed up and no public present wished to speak.

Being none, Commissioner Cummings moved to close the public hearing. Chair Kirby asked for all in favor, the motion passed unanimously (6-0).

Interim Financing Contract and Deed of Trust

Finance Officer Cathy Smith presented the Board with an approving resolution that authorizes an interim installment financing contract with PNC Bank and a Deed of Trust for the subject property. She noted the contract is a draft and the bond counsel for the county will need authority to make any necessary adjustments to the documents as required for final signature.

Commissioner Lawrence asked if the attorney has reviewed the contract.

Ms. Smith stated the contract has been drafted by the County's bond counsel. She noted a few minor corrections have been made to the draft already.

Commissioner McLaughlin moved to approve the resolution, contract and deed of trust as presented.

Chair Kirby stated his concern over the language in the deed that states "to come" with regard to the legal description.

Mr. Howard stated this is because the attorney is working to finalize the lease agreement.

Chair Kirby asked if the lease includes Hicks Field.

Mr. Howard stated no, several parcels are however included in the lease agreement. He stated that the County was not able to combine all of the parcels and there is currently one large parcel for the school building. He added that Hicks Field is not a part of that large parcel.

Ms. Smith stated that Hicks Field will be excluded from the lease.

Chair Kirby stated his concern with the current fundraising billboards at the tennis courts.

Commissioner Lawrence stated he had similar concerns with the missing legal description in the lease document. He stated he understood however the county needed to move forward with the approvals.

Mr. Howard stated that the process is fluid, he stated that once the application to the LGC is approved, there will be a closing set within days.

Mr. Howard stated he could bring the lease agreement back to the Board at the December meeting.

Chair Kirby agreed he did not want to hold the process up.

Chair Kirby asked for all in favor of the approving resolution, contract and deed of trust. The motion passed unanimously (6-0).

RESOLUTION OF THE COUNTY OF CHOWAN, NORTH CAROLINA, APPROVING AN INTERIM INSTALLMENT FINANCING CONTRACT AND DELIVERY THEREOF AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS

WHEREAS, the County of Chowan, North Carolina (the “*County*”) is a political subdivision of the State of North Carolina (the “*State*”), validly existing under the Constitution, statutes and laws of the State;

WHEREAS, the County has the power, pursuant to Section 160A-20 of the General Statutes of North Carolina to (1) enter into installment contracts in order to purchase, or finance or refinance the purchase of, real or personal property and to finance or refinance the construction or repair of fixtures or improvements on real property and (2) create a security interest in some or all of the property financed or refinanced to secure repayment of the purchase price;

WHEREAS, the Board of Commissioners of the County (the “*Board*”) has previously determined that it is in the best interest of the County to enter into an interim installment financing contract (the “*Contract*”) with PNC Bank, National Association (the “*Lender*”) in an aggregate principal amount not to exceed \$34,998,500 to finance a portion of the costs of constructing a new high school, to be known as the John A. Holmes High School, in the County (the “*Project*”);

WHEREAS, the County has also received a Need-Based Public School Capital Fund grant to fund a portion of the cost of the Project;

WHEREAS, the County expects to discharge its obligations to pay the Lender under the Contract upon completion of the construction of the Project, at which time the County will enter into a long-term installment financing contract with the United States Department of Agriculture (the “*Long-Term Contract*”) and execute and deliver a deed of trust, security agreement and fixture filing securing the County’s obligations under the Long-Term Contract;

WHEREAS, the obligation of the County to make Installment Payments (as defined in the Contract) under the Contract is a limited obligation of the County payable solely from currently budgeted appropriations of the County and does not constitute a pledge of the faith and credit of the County within the meaning of any constitutional debt limitation;

WHEREAS, to provide security for the County's obligations under the Contract, the County will grant to the Lender a security interest under a deed of trust, security agreement and fixture filing (the "*Deed of Trust*") in the County's fee simple interest in the site on which John A. Holmes High School will be located, together with all improvements and fixtures located thereon (collectively, the "*Mortgaged Property*");

WHEREAS, a public hearing on the Contract after publication of a notice with respect to such public hearing must be held and the Board conducted such public hearing at this meeting;

WHEREAS, there has been made available to the Board the forms of the Contract and the Deed of Trust (collectively, the "*Instruments*") which the County proposes to approve, enter into and deliver, as applicable, to effectuate the proposed financing; and

WHEREAS, it appears that each of the Instruments is in appropriate form and is an appropriate instrument for the purposes intended;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE COUNTY OF CHOWAN, NORTH CAROLINA, AS FOLLOWS:

Section 1. Approval, Authorization and Execution of Instruments. The Board hereby approves the financing of the Project in accordance with the terms of the Instruments, which will be valid, legal and binding obligations of the County in accordance with their respective terms. The Board hereby approves the amount to be advanced by the Lender to the County pursuant to the Contract in an aggregate principal amount not to exceed \$34,998,500, such amount to be repaid by the County to the Lender as provided in the Contract, including using the proceeds of the Long-Term Contract to make such repayment. The form, terms and content of the Instruments are in all respects authorized, approved and confirmed, and each of the County Manager, the Finance Officer, and the Clerk to the Board, or their respective designees (individually and collectively, the "*Authorized Officers*") are authorized, empowered and directed to execute and deliver the Instruments for and on behalf of the County, including necessary counterparts, in substantially the forms presented to the Board, but with such changes, modifications, additions or deletions therein as shall to them seem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of their approval of any and all such changes, modifications, additions or deletions, and that from and after the execution and delivery of the Instruments, each of the Authorized Officers are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Instruments as executed.

Section 2. Further Actions. Each of the Authorized Officers is hereby designated as the County's representatives to act on behalf of the County in connection with the transactions contemplated by the Instruments, and each of the Authorized Officers are authorized and directed to proceed with financing the Project in accordance with the terms of the Instruments and to seek opinions on matters of law from the County Attorney, which the County Attorney is authorized to furnish on behalf of the County, and opinions of law from such other attorneys for all documents contemplated hereby as required by law. Each of the Authorized Officers is hereby authorized to designate one or more employees of the County to take all actions which each of the Authorized Officers is authorized to perform under this Resolution, and each of the Authorized Officers, including their designees, is in all respects authorized on behalf of the County to supply all information pertaining to the transactions contemplated by the Instruments. Each of the Authorized Officers is authorized to execute and deliver for and on behalf of the County any and all additional certificates, documents, opinions or other papers and perform all other acts as may be required by the Instruments or as they may deem necessary or appropriate in order to implement and carry out the

intent and purposes of this Resolution. Any and all acts of the Authorized Officers may be done individually or collectively.

Section 3. Related Actions. All acts and doings of officers, employees and agents of the County, whether taken prior to, on, or after the date of this Resolution, that are in conformity with and in furtherance of the purposes and intents of this Resolution as described above shall be, and the same hereby are, in all respects ratified, approved and confirmed.

Section 4. Repealer. All motions, orders, resolutions, ordinances and parts thereof, in conflict herewith are hereby repealed.

Section 5. Severability. If any section, phrase or provision of this Resolution is for any reason declared to be invalid, such declaration will not affect the validity of the remainder of the sections, phrases or provisions of this Resolution.

Section 6. Effective Date. This Resolution is effective on the date of its adoption.

Lease Agreement

The Board considered approval of a lease agreement between Chowan County and the Edenton-Chowan Board of Education for the John A. Holmes High School project.

Mr. Howard stated this matter could be pulled to allow the bond counsel time to finalize the documents.

Chair Kirby stated he would prefer to table the matter to convey the Board questions to Bond Counsel.

Commissioner McLaughlin moved to table the matter to the December 4, 2023 meeting. Chair Kirby asked for all in favor, the motion passed unanimously (6-0).

Teacher Supplement Update

Mr. Howard provided the Board with an update on the monies budgeted for teacher supplement which exceeds what was needed due to a decrease in the state budget for salary increases.

Ms. Smith noted that \$122,537 of the monies budgeted for teacher supplement are no longer needed by the schools because of the State approved salary increase.

Mr. Howard stated the schools have notified the County they did not need the full amount of monies requested. Mr. Howard stated he would like for the Board to determine what could be done with the remaining monies and stated he considered using the monies for a one time bonus for teachers. He stated the school system is being transparent by notifying the County of the additional funds not needed.

Board members discussed their desire to give the remaining funds to the teachers.

Commissioner Lawrence discussed his concern with teacher retention. He noted that the state not giving additional monies in the salary is a concern for him.

The Board discussed various methods for distributing the remaining monies to the teachers.

Mr. Howard suggested he meet with the Superintendent to see if he has a preference for use of the funds and will bring the matter back to the Board.

Commissioner McLaughlin moved to table to matter to allow the Manager time to discuss this with the Superintendent. Chair Kirby asked for all in favor, the motion passed unanimously (6-0).

Appointment

VAD Board

Chair Kirby noted that Cary Parrish and Joey Byrum are eligible and request reappointment to the Voluntary Ag. District Board.

Commissioner McLaughlin moved to reappoint Cary Parrish and Joey Byrum. Chair Kirby asked for all in favor, the motion passed unanimously (6-0).

Financial Items

Ms. Smith presented the following:

a. 2024 Budget Amendments

2024-028

Account Number	Account Description	Revenue (Inc+/Dec-)	Expense (Inc+/Dec-)
Central Comm			
11-4270-510-00	Capital Outlay - Equipment		(1,000.00)
Transfers Out			
11-9800-980-24	Transfer to E-911 Fund		1,000.00
E-911 Fund			
24-3431-360-00	Capital Grant	611,888.32	
24-3980-980-11	Transfer from General Fund	1,000.00	
24-3431-360-01	Funding Reconsideration	73,083.19	
24-3990-990-00	Fund Balance Appropriation	200,000.00	
24-4325-524-00	Motorola Radio Project		885,971.51
	Balanced	885,971.51	885,971.51
Justification:			
		<i>To amend the 2024 budget to include Motorola Radio Project Grant received from the NC 911 Board for replacement of the radio system. The grant application was approved by BOCC on 09/18/23.</i>	

2024-029

Account Number	Account Description	Revenue (Inc+/Dec-)	Expense (Inc+/Dec-)
Register of Deeds			
11-3418-415-00	*Preservation/Automation	737.70	
11-4180-298-00	*Dept Supplies - Auto/Pres		245.90
11-4180-440-00	*Contr Svcs - Automation/Pres		245.90
11-4180-511-00	*C/O - Auto / Pres		245.90
Sheriff's Office			
11-3431-232-00	*Sheriff Donations	432.00	
11-4317-440-00	*Donation - Expense		432.00
11-3431-240-00	*Project Lifesaver	50.00	
11-4317-298-00	*Project Lifesaver		50.00
11-3431-245-00	*Safe Kids Program	50.00	
11-4317-445-00	*Safe Kids Expense		50.00
Animal Shelter			
11-3438-894-00	*Donations - Chowan	1,418.36	
11-3438-894-02	*Donations - Perquimans	1,251.00	
11-3438-894-03	*Donations - Other	100.00	
11-4381-600-00	*Donation - Expense		2,769.36
11-3438-895-00	*Adoption - Chowan	380.00	
11-3438-895-01	*Adoption - Gates	160.00	
11-3438-895-02	*Adoption - Perquimans	180.00	
11-3438-895-03	*Adoption - Other	500.00	
11-4381-441-00	*Contr Svcs - Spay/Neuter		1,220.00
Cooperative Ext:			
11-3495-370-00	*AG Program Fees Discretionary	20.00	
11-4953-440-00	*Ag Program Fees Discretionary		20.00
11-3495-378-00	*4-H Fees Discretionary	1,120.00	
11-4953-448-00	*4-H Fees Discretionary		1,120.00
Recreation			
11-3612-487-00	*Recreation Donations	750.00	
11-6130-299-01	*Donations - Dept Supplies		750.00
11-3612-504-00	*Recreation Special Events	1,525.00	
11-6132-453-00	*Recreation Special Events		1,525.00
Senior Center			
11-3616-533-00	*Reg Fees - Trips	14,263.65	
11-4268-312-00	*TRIPS - Senior Citizens		14,263.65
11-3616-533-01	*Registration Fees Activities	192.00	
11-4268-299-01	*Activities - Dept. Supplies		192.00
11-3616-535-04	*Silver Sneakers	612.00	
11-3616-535-05	*Silver & Fit	105.00	
11-3616-535-06	*Renew Active	276.00	
11-4268-352-02	*Healthways		993.00
DSS			
12-3531-230-14	*DSS Special Events	225.00	
12-5310-450-00	*DSS Special Events		225.00
	Balanced	24,347.71	24,347.71
	Total Discretionary Income Received FYE 2024	169,294.74	
Justification:			
	<i>To amend the 2024 budget to include Discretionary income for October 2023.</i>		

2024-030

Account Number	Account Description	Revenue (Inc+/Dec-)	Expense (Inc+/Dec-)
Building Inspections			
11-3839-915-00	Bertie County - Building Inspections	3,482.38	
11-4350-251-00	Automotive Supplies		1,741.19
11-4350-353-00	Maint & Repairs - Vehicles		1,741.19
	Balanced	3,482.38	3,482.38
Justification:			
<i>To amend the 2024 budget for Building Inspections to include services provided to Bertie County for September and October.</i>			

2024-031

Account Number	Account Description	Revenue (Inc+/Dec-)	Expense (Inc+/Dec-)
Opioid Settlement Fund			
28-3301-238-00	Opioid Settlement Revenue	54,720.83	
28-9930-995-00	Designated for Future Appropriations		54,720.83
	Balanced	54,720.83	54,720.83
Justification:			
<i>To amend the 2024 budget to include Opioid Settlement Fund payments received through 11/09/23.</i>			

Commissioner McLaughlin moved to approve the budget amendments as presented. Chair Kirby asked for all in favor, the motion passed unanimously (6-0).

External Board/Committee Report

Board members are asked to report on the activities of the external boards to which they have been appointed.

Commissioner Lawrence reported on the Airport Commission Board.

NCACC Steering Committee Appointments

Chair Kirby has been appointed to General Government and Tax/Finance, Agriculture and Public Education and Commissioner Lawrence has been appointed to Agriculture and Public Education Steering Committees of the NCACC.

Broadband

Commissioner Lawrence has been appointed to manage a broadband grant for Elizabeth City State University.

Manager's Report

County Manager Kevin Howard updated the Board on the following:

- Work continues on the windows at Swain Auditorium. He stated the prices may increase some
- He stated the Opioid funds will need to be spent. He stated a meeting will be planned in January to discuss the use of the funds.

Timely and Important Matters

Chair Kirby shared information on the first Thanksgiving as this year marks the 350th anniversary of the celebration. He read a prayer from that gathering.

Adjourn

Being no further business Commissioner Cummings moved that the meeting be adjourned. Chair Kirby asked for all in favor, the motion passed unanimously (6-0).

Bob Kirby, Chairman

Susanne Stallings
Clerk